

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): November 30, 2005

REX STORES CORPORATION
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-09097
(Commission File No.)

31-1095548
(IRS Employer Identification No.)

2875 Needmore Road, Dayton, Ohio
(Address of principal executive offices)

45414
(Zip Code)

Registrant's telephone number, including area code: (937) 276-3931

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02. Results of Operations and Financial Condition

On November 30, 2005, REX Stores Corporation issued a press release announcing financial results and comparable store sales for the three month and nine month periods ended October, 2005. The press release is furnished as Exhibit 99 to this report.

Item 9.01. Financial Statements and Exhibits

(c) Exhibits. The following exhibits are furnished with this report:

99 Press Release dated November 30, 2005

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

REX STORES CORPORATION

Date: November 30, 2005

By: /s/ DOUGLAS L. BRUGGEMAN

Name: Douglas L. Bruggeman
Title: Vice President - Finance,
Chief Financial Officer
and Treasurer

News Announcement
For further information contact:

For Immediate Release

Douglas Bruggeman
Chief Financial Officer
937/276-3931

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REX STORES' THIRD QUARTER DILUTED
EARNINGS PER SHARE RISE 115% TO \$0.58

- Fiscal Third Quarter Comp Store Sales Rise 4.6% -

Dayton, Ohio (November 30, 2005) -- REX Stores Corporation (NYSE:RSC), a specialty retailer of consumer electronic products and appliances, today announced financial results and comparable store sales for the three- and nine-month periods ended October 31, 2005.

Net income in the three months ended October 31, 2005 rose 104% to \$6.9 million, or \$0.58 per diluted share, from net income of \$3.4 million, or \$0.27 per diluted share, in the three months ended October 31, 2004. Per share results are based on 11,865,000 and 12,610,000 diluted weighted average shares outstanding for the three-month periods ending October 31, 2005 and October 31, 2004, respectively.

Income from continuing operations before income taxes in the three months ended October 31, 2005 rose 122% to \$9.2 million from \$4.1 million in the quarter ended October 31, 2004. Income from continuing operations before income taxes reflects fiscal 2005 third quarter income of \$8.4 million from synthetic fuel investments, including a \$1.2 million gain related to the sale during the fiscal third quarter by the Company of its interest in a synthetic fuel limited partnership, compared to \$5.2 million of comparable investment income in the year-ago period.

Net sales in the three months ended October 31, 2005 rose 4.2% to \$94.3 million from \$90.5 million in the three months ended October 31, 2004. Comparable store sales during the period rose 4.6% compared with the same year-ago period. The Company reports sales performance quarterly and considers a store to be comparable after it has been open six full fiscal quarters. Comparable store sales figures do not include sales of extended service contracts.

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During the three-month period ended October 31, 2005, REX purchased approximately 455,300 shares of its common stock in open market transactions. Subsequent to the close of the fiscal third quarter, REX purchased an additional 119,100 shares. The Company now has approximately 769,245 shares remaining available to purchase under its stock buy-back authorization reflecting the previously disclosed expansion of its share repurchase authorization by 1,000,000 shares during the fiscal 2005 third quarter and the share repurchase activity during and subsequent to the fiscal 2005 third quarter noted above.

Net income in the nine month period ended October 31, 2005 rose 102% to \$21.7 million, or \$1.76 per diluted share, compared to net income of \$10.8 million, or \$0.84 per diluted share, in the nine month period ended October 31, 2004. Per share results are based on 12,353,000 and 12,778,000 diluted weighted average shares outstanding for the nine month periods ending October 31, 2005 and October 31, 2004, respectively. Income from continuing operations before income taxes in the nine months ended October 31, 2005 rose 112% to \$26.9 million from \$12.7 million in the nine months ended October 31, 2004. Income from continuing operations before income taxes for the nine months ended October 31, 2005, reflects income of \$24.8 million from synthetic fuel investments, compared to \$13.8 million of comparable investment income in the year-ago period. Net sales in the 2005 nine month period rose 3% to \$267.0 million from \$259.2 million in the nine months ended October 31, 2004. Comparable store sales in the first nine months of fiscal 2005 rose 3.7% compared to the same year-ago period.

Commenting on the results, Stuart Rose, REX Stores' Chairman and Chief Executive Officer, stated, "We are very pleased with the third quarter results as they extended the Company's momentum from the first half of the fiscal year. We would like to recognize all of our employees that were impacted by the hurricanes and their tireless efforts which ensured that our stores are operational and ready for the holiday selling season."

The Company will host a conference call and webcast today at 11:00 a.m. EST, which are open to the general public. The conference call dial-in number is 212/676-5411; please call ten minutes in advance to ensure that you are connected prior to the presentation. Interested parties may also access the call live via the Investor Relations page of the Company's website, www.rextv.com, or at www.fulldisclosure.com; please allow 15 minutes to register, download and install any necessary software.

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Following its completion, a telephonic replay of the call can be accessed through 1:00 p.m. EST on December 7, 2005 by dialing 800/633-8284 or 402/977-9140 (international callers). The access code for the audio replay is 21269518. Alternatively, a replay will be available on the Internet for 30 days at www.rextv.com or www.fulldisclosure.com.

REX Stores Corporation is a leading specialty retailer of consumer electronic products and appliances. As of October 31, 2005, the Company operated 226 stores in 37 states under the trade name "REX."

This news announcement contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements can be identified by use of forward-looking terminology such as "may," "expect," "believe," "estimate," "anticipate" or "continue" or the negative thereof or other variations thereon or comparable terminology. Readers are cautioned that there are risks and uncertainties that could cause actual events or results to differ materially from those referred to in such forward-looking statements. These risks and uncertainties include among other things: the highly competitive nature of the consumer electronics retailing industry, changes in the national or regional economies, weather, the effects of terrorism or acts of war on consumer spending patterns, the availability of certain products, technological changes, new regulatory restrictions or tax law changes relating to the Company's synthetic fuel investments, the fluctuating amount of quarterly payments received by the Company with respect to sales of its partnership interest in a synthetic fuel investment, and the uncertain amount of synthetic fuel production and tax credits received from time to time from the Company's synthetic fuel investments.

-tables follow-

REX STORES CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(in thousands, except per share amounts)
(unaudited)

	Three Months Ended October 31		Nine Months Ended October 31	
	2005	2004	2005	2004
NET SALES	\$ 94,321	\$ 90,502	\$ 267,011	\$ 259,172
COSTS AND EXPENSES:				
Cost of merchandise sold	68,465	66,138	192,073	186,165
Gross profit	25,856	24,364	74,938	73,007
Selling, general and administrative expenses	24,689	24,846	71,284	71,359
Operating income (loss)	1,167	(482)	3,654	1,648
INVESTMENT INCOME	23	7	155	152
INTEREST EXPENSE	(690)	(719)	(2,020)	(2,437)
LOSS ON EARLY TERMINATION OF DEBT	-	-	-	(614)
GAIN ON SALE OF REAL ESTATE	253	121	253	121
INCOME FROM SYNTHETIC FUEL INVESTMENTS	8,433	5,219	24,813	13,798
Income from continuing operations before provision for income taxes and discontinued operations	9,186	4,146	26,855	12,668
PROVISION FOR INCOME TAXES	2,203	564	4,900	1,251
Income from continuing operations	6,983	3,582	21,955	11,417
Loss from discontinued operations, net of tax	(101)	(201)	(377)	(667)
Gain on disposal of discontinued operations, net of tax	-	-	125	-
Net Income	<u>\$6,882</u>	<u>\$3,381</u>	<u>\$21,703</u>	<u>\$10,750</u>
WEIGHTED AVERAGE SHARES OUTSTANDING - BASIC	<u>10,532</u>	<u>10,897</u>	<u>10,850</u>	<u>11,092</u>
Basic income per share from continuing operations	\$0.66	\$0.33	\$2.02	\$1.03
Basic loss per share from discontinued operations	(0.01)	(0.02)	(0.03)	(0.06)
Basic income per share on disposal of discontinued operations	-	-	0.01	-
BASIC NET INCOME PER SHARE	<u>\$0.65</u>	<u>\$0.31</u>	<u>\$2.00</u>	<u>\$0.97</u>
WEIGHTED AVERAGE SHARES OUTSTANDING - DILUTED	<u>11,865</u>	<u>12,610</u>	<u>12,353</u>	<u>12,778</u>
Diluted income per share from continuing operations	\$0.59	\$0.29	\$1.78	\$0.89
Diluted loss per share from discontinued operations	(0.01)	(0.02)	(0.03)	(0.05)
Diluted income per share on disposal of discontinued operations	-	-	0.01	-
DILUTED NET INCOME PER SHARE	<u>\$0.58</u>	<u>\$0.27</u>	<u>\$1.76</u>	<u>\$0.84</u>

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REX STORES CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands)

	October 31 2005 ----- Unaudited	January 31 2005 ----- -----	October 31 2004 ----- Unaudited
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents	\$ 1,254	\$ 4,671	\$ 1,075
Accounts receivable, net	4,460	5,460	5,088
Synthetic fuel receivable	2,930	1,675	1,848
Merchandise inventory	135,220	124,188	152,215
Prepaid expenses and other	1,555	1,230	2,897
Future income tax benefits	10,929	10,929	8,703
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Total current assets	156,348	148,153	171,826
PROPERTY AND EQUIPMENT, NET	127,626	129,723	130,487
ASSETS HELD FOR SALE	1,669	1,986	2,569
OTHER ASSETS	823	841	612
FUTURE INCOME TAX BENEFITS	27,978	27,978	16,082
RESTRICTED INVESTMENTS	2,300	2,270	2,265
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Total assets	\$ 316,744 =====	\$ 310,951 =====	\$323,841 =====
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES:			
Notes payable	\$ -	\$ -	\$ 15,169
Current portion of long-term debt	2,958	2,897	2,939
Current portion of deferred income and deferred gain on sale and leaseback	10,609	10,432	10,378
Accounts payable, trade	38,919	32,842	49,259
Accrued income taxes	418	1,567	-
Accrued payroll and related items	5,777	6,303	5,101
Other current liabilities	6,596	6,152	7,454
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Total current liabilities	65,277	60,193	90,300
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LONG-TERM LIABILITIES:			
Long-term mortgage debt	27,774	30,501	31,633
Deferred income	11,349	11,703	11,522
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Total long-term liabilities	39,123	42,204	43,155
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SHAREHOLDERS' EQUITY:			
Common stock	293	290	287
Paid-in capital	134,985	133,474	130,705
Retained earnings	234,332	212,629	195,830
Treasury stock	(157,266)	(137,839)	(136,436)
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Total shareholders' equity	212,344	208,554	190,386
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Total liabilities and shareholders' equity	\$316,744 =====	\$ 310,951 =====	\$323,841 =====

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